



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1668

DATE: May 4, 2016

TO: All Iowa Medicaid Providers Excluding Individual Consumer Directed Attendant Care (CDAC) and Managed Care Organizations (MCOs)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Submitting Claims to the IME after Third Party Liability (TPL) Adjudication

EFFECTIVE: Upon Receipt

This letter is intended to clarify IME policies related to claim submissions after a primary insurance, or TPL has paid or denied a claim. The IME is most often the payer of last resort. In most circumstances other resources must be billed first. Exceptions to this policy are pay and chase situations, when the member's eligibility reflects other insurance through absent parent or when services rendered are preventive pediatric or prenatal care. **Medicare or Medicare HMO plans are not considered TPL.**

Insurance Denied:

The TPL denial must be indicated in the **Other** coverage field on the claim form. Proof of denials must be included in the patient record.

- CMS-1500: Indicate a denial of payment from primary insurance by checking both "YES" and "NO" in Field 11D to indicate that there is other insurance, but that the benefits were denied.
- UB-04: Indicate a denial of payment from primary insurance by entering Occurrence Code "24" and the date the denial was received in Field(s) 31-34.
- ADA Claim: Indicate a denial of payment from primary insurance by checking "Yes" in Field 4 and enter "\$0.00" in Field 31A.

Insurance Paid:

The amount of the third-party payment must be shown on the claim form in the **Prior Payment** field. Indicate the exact amount received if prior payments were made by a payer other than Medicaid. Contractual write off is not included in this amount.

- CMS-1500: Field 29. Do not enter previous Medicaid payments.
- UB-04: Field 54 A-C. Do not enter previous Medicaid payments.
- ADA Claim: Field 31A. Do not enter previous Medicaid payments.

Insurance Applied to Deductible:

This is considered an insurance denial for billing purposes.

TPL Pays More than Medicaid Allowable:

Medicaid will pay the claim in the amount of \$0.00. If the other insurance payment is less than the normal Medicaid payment, Medicaid will make payment only up to the amount of normal Medicaid payment.

TPL Denial Defined:

The IME does not require proof of TPL denial to accompany the claim; the denial should be maintained in the member's file. A TPL denial can be indicated in the following circumstances:

- When a denial was received for the identical service in a previous month
- When a denial is received by telephone and documented in records
- When insurance is a supplement to Medicare and Medicare denied
- When contract maximums are met
- When all charges were applied to the deductible
- When a final denial is received from the insurance carrier due to non-coverage

The IME has complete claim form instructions available on the DHS [Claim Forms and Instructions](#)¹ web page.

Electronic Billing:

Providers are encouraged to submit claims electronically, this allows for cleaner claims and faster adjudication. Providers may use any clearinghouse vendor to submit claims. The IME offers free software, the PC-ACE Pro32 Claims Management System, under [Electronic Data Interchange Support Services](#)² (EDISS) to submit claims to the IME.

EDI has specific instructions for [Billing Iowa Medicaid Secondary Payer Claims](#)³ on the [Training](#)⁴ page.

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, or email at IMEproviderservices@dhs.state.ia.us.

¹ <http://dhs.iowa.gov/ime/Providers/claims-and-billing/ClaimsPage>

² <http://www.edissweb.com/med/>

³ <http://www.edissweb.com/docs/med/iowa-msp-billingguide-ansi.pdf>

⁴ <http://www.edissweb.com/med/training/>